contained in said trade execution information correlates with the value of the

particular party supplied data element contained in said trade allocation

information within the at least one variance range.

REMARKS

Applicants appreciate the personal interview granted by the Examiner which

interview took place on December 4, 2002. Applicants found the Examiner's

insights and suggestions helpful, and have incorporated such suggestions herein.

By the foregoing Amendment, Claims 1, 11, 23, 38, and 39 are amended

and additional Claims 54-56 are added. Entry of the Amendment, and favorable

consideration thereof is earnestly requested.

Claims 1-53 stand rejected under 35 U.S.C. §102(e) as being anticipated by

U.S. Patent No. 6,029,146 to Hawkins et al. Applicants have amended all claims

to further highlight the novelty of the present invention and to obviate this rejection.

More specifically, all Claims have been amended, as suggested by the Examiner,

to highlight the fact that the information being matched is party supplied data

elements concerning conditions of the trade itself. No new matter has been

added, and support for this amendment can be found in the Specification as

originally filed at page 11, line 6 - page 12, line 21. Specific examples of the type

of party supplied data elements which are matched are given at page 11, lines 15-

20. In short, all Claims have been amended to more specifically require that the data elements which are matched are those relating to conditions of the trade itself (e.g. settlement date, share price, commission percentage, etc) provided in the trade execution information and the trade allocation information supplied by the first trading party and the second trading party respectively.

The system disclosed in Hawkins et al. operates in a completely different manner, relying on the matching of <u>arbitrary</u> numeric identifiers (having nothing to do with the conditions of the trade itself) which are <u>supplied by the settlement system</u> (not by the trading parties). More specifically, the system of Hawkins et al. receives an ordered trade form from an ordering broker and automatically fills in a transaction field 408 of the ordered trade form with a numeric ID specific to the particular transaction. (See column 13, lines 46-47). The order is then transmitted to the executing broker, who, after executing the order, fills in an executed trade form. The system receives this executed trade form and automatically fills in a transaction field 610 of the executed trade form with the numeric ID specific to the particular transaction. (See column 14, lines 23-24). If the order was placed manually (i.e., outside the system), the executed trade form may be generated first, transmitted to the ordering broker, and then the ordered trade form completed. (See column 11, lines 48-56). However, in either event, the ordered trade form and the executed trade form must be entered <u>sequentially</u> (or else the

system would not be able to fill in the transaction field 408,610 of the later supplied
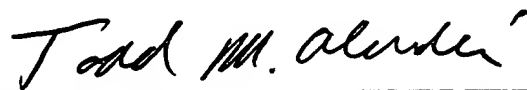
form with the correct numeric ID).

Next, the ordered trade form and the executed trade form are "matched" by

pairing the corresponding numeric IDs which were assigned by the system.

Various messages and confirmations are then generated, some of which may use

the trade data contained in the order forms. However, even if it can be said that

"matching" occurs, the information being matched cannot be said to be party

supplied data elements concerning conditions of the executed trade itself, as is

required by all claims as amended. The information being "matched" is merely

arbitrary identification numbers assigned by the system. While Hawkins et al.

discloses that the trade data may be used to generate various confirmations and

messages, it does not disclose that this trade data can be used for "matching" or

anything similar thereto.

Again, as discussed with the Examiner during the interview, these

differences are substantial. By matching party supplied data elements concerning

conditions of the executed trade itself, the system of the present invention allows

for simultaneous submission by the trading parties, rather than requiring a

sequential flow of messages. This is crucial to being able to achieve T+1 and/or

T+0 settlement, and is not in any way taught or suggested by Hawkins et al.

As such, Applicants respectfully submit that there is absolutely no disclosure, teaching or suggestion in Hawkins et al. that what is being matched are data elements which (1) are party supplied and/or (2) concern conditions of the executed trade itself. It is only the numeric IDs which were assigned by the system which are used to tie together ordered trade forms with executed trade forms. Moreover, Applicants respectfully submit that it would not have been obvious to modify Hawkins et al. to arrive at the present invention as claimed, as there would be absolutely no motivation to do so absent the teachings of the present application. Hawkins et al. relies on the sequential exchange of ordered trade forms and executed trade forms. In this type of system, it is very easy to assign each of the forms an identifier so that the forms may later be "matched" based thereupon. Thus, there would be no reason for one to design a much more complex system of "pairing" and/or "matching" party supplied data elements concerning conditions of the executed trade itself, as is required by all claims, as amended. This type of "pairing" and/or "matching" was developed by Applicants during development of a completely simultaneous trade settlement system. Thus, before it would even make sense to modify Hawkins et al. to arrive at the present invention, one would have to completely redesign Hawkins et al. to be an simultaneous system. Applicants respectfully submit that such a complete redesign of Hawkins et al. could hardly be considered obvious.

For the foregoing reasons, Applicants respectfully submit that all pending

claims, namely Claims 1-56, are patentable over the references of record, and

earnestly solicit allowance of the same.

Respectfully submitted,

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